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Fifth session
Sessional Committee
Agenda item 8

REPORT OF THE COMMITTEE ON SHIPPING

Discussion of Shipping by the Second Conference (Item V of the draft provisional agenda of the Conference)

Note by the UNCTAD Secretariat

1. At the request of the Chairman, the secretariat of UNCTAD has prepared this note.

2. Bearing in mind the objectives of UNCTAD, it is the opinion of the secretariat that the study of and relevant action concerning shipping is of fundamental importance.

3. The shipping questions, listed in sub-items (b) to (f) inclusive of item V of the draft provisional agenda for the Second Conference, are questions of fundamental importance in international shipping.

4. On the subjects of Shipping Industry in Developing Countries, including Expansion of Merchant Marines of Developing Countries and Consultation Machinery in Shipping, the work of the UNCTAD secretariat is sufficiently advanced to enable reports to be placed before the Second Conference that will facilitate meaningful action.

5. It is the function of the Board and its appropriate subsidiary body, and not that of the secretariat, to suggest the items on which the Second Conference should concentrate and those which should continue to be dealt with through the permanent machinery of the Board and the Board itself.

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REPORT OF THE COMMITTEE ON SHIPPING

Discussion of Shipping by the Second Conference
(Item V of the draft provisional agenda of the Conference)

Note by the UNCTAD Secretariat

1. This note takes into account the discussions on shipping matters by the Committee on Shipping of UNCTAD at its first, second and special sessions. The purpose of the note is to indicate the shipping issues that have so far been discussed by the Committee on Shipping or included in its programme of work for future discussion.

2. The programme of work of the Committee on Shipping was adopted at the first session of the Committee in November 1965 (see document TD/B/36, Report of the Committee on Shipping on its first session) and at its special session in July 1966 (see document TD/B/83, Report of the Committee on Shipping on its special session). The programme of work was modified at the Committee's second session in February/March 1967 (see document TD/B/116, Report of the Committee on Shipping on its second session, Annex II). The programme of work includes the following major areas of activity:

(i) Establishment of national and regional consultation machinery;

(ii) Level and structure of freight rates, conference practices and adequacy of shipping services;

(iii) Improvement of port operations and connected facilities;

(iv) Establishment or expansion of merchant marines in developing countries;

(v) Reviews of current and long-term aspects of maritime transport;

(vi) Other questions.

3. The programme of work of the Committee on Shipping as a whole was unanimously adopted at the first and special sessions of the Committee, while the modifications were unanimously adopted at its second session. The programme of work as a whole has been approved by the Trade and Development Board.

4. Only item I of the programme of work, establishment of national and regional consultation machinery, has been the object of substantive discussion by the Committee on Shipping. The substance of this discussion is contained in paragraphs 1 to 18 of document TD/B/116. In respect of this item the Committee also unanimously adopted a resolution taking note of the report on this item submitted by the Secretary-General of UNCTAD and recommending certain measures for the implementation of the guiding lines set forth in that report. This item, therefore, is ready for consideration, endorsement, and final action at the Second Conference with a view to implementation.

5. Apart from Consultation Machinery, on which there is a wide measure of agreement, of the items on shipping on the draft provisional agenda for the Second Conference, no substantive agreement or disagreement exist in the Committee on Shipping, since no substantive discussion has yet taken place. On the subjects of Shipping Industry in Developing Countries, including Expansion of Merchant Marines of Developing Countries and Consultation Machinery in Shipping, the work of the UNCTAD secretariat is sufficiently advanced to enable reports to be placed before the Second Conference that will facilitate meaningful action.

6. On the other items of the programme of work, no substantive discussion has taken place, but the Committee has considered progress reports submitted by the secretariat and given guidance for the continuing work of the secretariat.

7. The second session of the Committee on Shipping discussed the draft provisional agenda for the Second Conference adopted by the fourth session of the Trade and Development Board. The substance of the discussion on this point is contained in paragraphs 73 to 90 of document TD/B/116. It appears from this account that the Committee on Shipping considers that the items on shipping on the draft provisional agenda should be included in the provisional agenda for the Second Conference. With regard to the item between square brackets - International Legislation on Shipping - the representatives of the developing and socialist countries were in favour of deleting the square brackets and of retaining this item, while the representatives of the developed countries with market economies were opposed to the inclusion of this item in the agenda for the Second Conference. The discussion of this question is contained in paragraphs 81 to 89 of the Report of the Committee on its second session. The Committee decided that the views

expressed in its discussion should be brought to the attention of the Board. Since no agreement was reached by the Committee on Shipping at its second session on this item, this question has now been referred to the Trade and Development Board for solution.

8. With regard to the items on shipping matters to be included in the provisional agenda of the second session of the Conference, the Committee decided (TD/B/116, para.90) to suggest to the Board that in making proposals on the organization of the Second Conference, it may wish to take into account the view of the Committee on Shipping that shipping matters be considered by a separate committee of the Conference; that committee would meet for a continuous period in the course of the second session of the Conference.

9. At its second session, the Committee on Shipping adopted two resolutions in addition to the one already mentioned (see annex I of document TD/B/116). In these resolutions the Committee, inter alia, unanimously invites governments, shippers and shipowners, shipping and commercial interests and conferences to co-operate with the secretariat by providing the information required for the implementation of the Committee's programme of work, reaffirms that the secretariat of UNCTAD is competent to provide substantive support to technical assistance activities in maritime transport, and requests the Secretary-General of the United Nations to consider ways of avoiding duplication of activities among the United Nations units dealing with shipping and ports.

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REPORT OF THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE

Discussion of insurance and tourism by the Second Conference (Item V of the draft provisional agenda of the Conference)

Note by the UNCTAD Secretariat

1. In pursuance of the recommendations of the 1964 Conference the programme of work on invisibles was adopted by the Committee on Invisibles and Financing related to Trade at the first part of its first session in December 1965. (See document TD/B/42, Annex I(a)). At its second session, in April 1967, certain modifications in the programme of work were made, including the proposals for convening two expert groups in the field of insurance and one in the field of tourism (see document TD/B/118).

2. Thus the programme of work as approved covers the following main fields of activity:

A. Insurance and reinsurance
   - (i) Reinsurance
   - (ii) Investment policy of insurance and reinsurance institutions
   - (iii) Development of national insurance and reinsurance markets
   - (iv) Insurance legislation and supervision
   - (v) Insurance statistics
   - (vi) Review of developments in insurance, with special reference to developing countries.

B. Tourism
   - (i) Policies for the development of tourist potential
   - (ii) The prospective growth of world travel
   - (iii) Statistics of tourism
   - (iv) Review of developments in tourism, with special reference to developing countries.

3. The Committee also decided at its first session to draw up in due course a programme of work for studies of some other invisible items, notably the transfer of technology, but has not so far taken any action on this subject.

4. With regard to insurance and reinsurance, the Expert Group on Reinsurance was convened in September/October 1966 and its recommendations were considered at the second session of the Committee on Invisibles and Financing related to Trade in April 1967. The Committee expressed its appreciation to the Expect Group for their useful report and recommendations and commended those recommendations to the attention of Governments of member States and of the insurance industry with a view to their considering the possibility of implementing them.

5. The Committee noted with satisfaction the text of the questionnaire on insurance legislation, supervision and market addressed by the Secretary-General of UNCTAD to developing countries, and requested him to provide to Governments, at their request, assistance in connexion with the questionnaire. This questionnaire seeks rather comprehensive information on insurance markets in developing countries and also relates to several other areas of activity of the Committee such as investment policy of insurance and reinsurance institutions, insurance statistics and review of developments in insurance. The Committee also requested the Secretary-General of UNCTAD to convene a meeting of insurance supervisors and other experts from developing countries to review and to comment on the studies of the secretariat based on the replies to the above questionnaire.

6. With regard to insurance statistics, the Committee requested the Secretary-General of UNCTAD to convene, in co-operation with the Statistical Office of the United Nations, a meeting of insurance statisticians with a view to formulating proposals for minimum statistical standards and definitions for insurance and reinsurance transactions.

7. The Committee itself has not yet undertaken any substantive discussion of the items mentioned above under the heading of tourism. At its second session several delegations attached great importance to the designation of 1967 by the General Assembly as "International Tourist Year" and emphasised the role which tourism could play in developing countries in particular. Some delegations at that session pointed to the significance of air fares as a factor determining the volume of travel to developing countries and suggested that this subject should be studied by the Committee, but in view of the reservations expressed by other delegations to the effect that the subject was sufficiently covered by other intergovernmental and non-governmental organs the Committee did not make any formal proposal in this respect.

8. The Committee has not yet discussed statistical questions but decided at its second session to review at its third session the report of the Expert Group on International Travel Statistics (subsequently convened by the Statistical Office of the United Nations in June 1967). It also decided that at its third session it would review the report of the Secretary-General of the United Nations on the results of International Tourist Year and review periodically the implementation of the recommendations of the United Nations Conference on International Travel and Tourism (Rome, 1963) as suggested by the Economic and Social Council.

9. In the same resolution it reaffirmed the role of the UNCTAD secretariat in providing substantive support to technical assistance and pre-investment activities of the United Nations in both insurance and tourism, in accordance with resolution 31 (IV) of the Trade and Development Board, and recommended that the Secretary-General of the United Nations be asked to consider ways of avoiding duplication of activities among United Nations Secretariat units dealing with insurance and tourism.

10. In the sessional sub-committee on invisibles which was established by the Committee at its second session, no delegation spoke on the question of including items concerning invisibles and the transfer of technology in the agenda of the second Conference. Consequently, the Committee had no views on this subject to transmit to the Board.

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REPORT OF THE COMMITTEE ON INVISIBLES
AND FINANCING RELATED TO TRADE

Statement by the representative of the International
Bank for Reconstruction and Development

World Bank Transfers to the International Development Association

The distinguished delegate for Ceylon raised the question on the subject of a recent announcement by the World Bank concerning the allocation of $10 million for the purposes of IDA. In the following, I would like to give the committee some background information on this operation.

1. As the committee knows, the funds the Bank uses for lending operations are provided from two main sources:

(a) one is the paid-in capital of the Bank, paid in by the members;

(b) the bulk of the amounts the Bank uses is money borrowed on the market. Most of this money is borrowed through the sale of obligations. In short, the Bank lends borrowed money.

2. This is the principle, and it would be quite simple, were not practice a little more complicated than that. If Bank lending depended only on its ability to borrow, the Bank would have no difficulty in raising money, because the Bank's creditworthiness is considered everywhere as first class.

Unfortunately, Bank borrowing does not only depend on its creditworthiness, it also depends on government decisions; the Bank is only allowed to go to a market if the government agrees to it, and in recent times, governments have become more and more hesitant to allow the Bank to issue bonds on their market.

3. Being a banking institution, the Bank must plan ahead the way its lending operations will be carried out in future years. It is the responsibility of the executive directors, who represent all the member countries of the Bank, to make proposals to the Board of Governors on the policy to be followed. I emphasize the fact that this policy is discussed by the Board of the Executive Directors and is submitted for final approval to the Board of Governors, who represent all the member countries and who generally meet once a year at the annual meeting of the Bank.

In recent years, when the net income of the Bank was satisfactory and there was no reason to doubt that the sale of new obligations would be allowed, the transfer of a part of the Bank's net income was decided each year in favour of IDA. The policy statement on this subject contained, however, the provision that future transfers would only be made out of the year's net income not needed for allocation to reserves, or otherwise required to be retained in the Bank's business and which could therefore be prudently distributed as dividends.

4. This does not seem to be the case now. Although, I repeat, the situation of the Bank as potential debtor has remained as good as ever, for considerations which lie outside the Bank, the member governments find it more and more difficult to authorize the issues of new bonds on their market.

As the Bank's undisbursed commitments - as of the end of the fiscal year 1967 - were $2,393 million, the President of the Bank estimates that to meet disbursement commitments and maturing public debt of the Bank, at least $400 to $500 million new funds will be needed yearly for the next few years.

This is an important amount of money and, for reasons I have tried to explain, under present tight money market conditions, it might become difficult to raise all of it against bonds. That is why the Executive Directors decided to recommend to the Governors, to allocate the current income of the Bank, with the exception of the $10 million, to the Supplemental Reserve of the Bank, thereby reducing correspondingly the need for bond issues.

5. I am authorized to add, Mr. President, that this recent action taken by the Board does not establish a precedent for the future. If and when the access to money markets becomes again easier, we are hopeful that our Board can recommend transfers of more important amounts to IDA out of the then current income of the Bank.

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TRADE AND DEVELOPMENT BOARD
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Draft report of the Sessional Committee

Rapporteur: Mr. E. TREU (Austria)

Chapter I

ORGANIZATIONAL MATTERS

At its 124th plenary meeting on 17 August 1967, the Trade and Development Board established a Sessional Committee of the Whole to which it referred the following agenda items:

Item 5: Report of the Committee on Commodities

Item 6: Report of the Committee on Manufactures

Item 7: Report of the Committee on Invisibles and Financing related to Trade

Item 8: Report of the Committee on Shipping

The following terms of reference were given to the Committee: "to examine the reports of the four Committees in the light of the objectives of the second session of the Conference, taking into account, inter alia, General Assembly resolution 2206 (XXI), and to report thereon to the Board."

The Sessional Committee held ... meetings from 17 August to ..... The summary records of these meetings are contained in documents TD/B/SC.7/SR.1 - .....

At its first meeting the Committee unanimously elected Mr. M.K. Yasseen (Iraq) as Chairman. At its second meeting the Committee unanimously elected Mr. E. Treu (Austria) as Vice-Chairman-cum-Rapporteur.

The Committee examined the reports in question in conformity with its terms of reference and submits the following report.

Chapter II

REPORT OF THE COMMITTEE ON SHIPPING

(item 8 of the agenda)

1. The documents relating to this item were the report of the Committee on Shipping on its second session (TD/B/116) and a note by the UNCTAD secretariat on action taken by the Economic and Social Council relevant to UNCTAD activities in shipping (TD/B/141).

2. All the representatives who participated in the debate considered that the report of the Committee on Shipping on its second session was evidence of progress in the execution of its programme of work, which covered the following major areas of activity:

(i) Establishment of national and regional consultation machinery;

(ii) Level and structure of freight rates, conference practices and adequacy of shipping services;

(iii) Improvement of port operations and connected facilities;

(iv) Establishment or expansion of merchant marines in developing countries;

(v) Reviews of current and long-term aspects of maritime transport;

(vi) Other questions.

3. The programme of work of the Committee on Shipping including research work and studies, was adopted as a whole at the first and special sessions of the Committee, while the modifications were unanimously adopted at its second session. The programme of work as a whole has been approved by the Trade and Development Board.

4. Only item I of the programme of work (Establishment of national and regional consultation machinery) has been the object of substantive discussion by the Committee on Shipping. The substance of this discussion is contained in paragraphs 1 to 18 of document TD/B/116. In respect of this item the Committee also unanimously adopted a resolution (TD/B/116, annex I(a)) taking note of the report on this item submitted by the Secretary-General of UNCTAD and recommending certain measures for the implementation of the guiding lines set forth in that report. It was considered therefore, that this item was ready for consideration at the second Conference.

5. On the remaining subjects of shipping industry in developing countries, including expansion of merchant marines of developing countries and consultation machinery in shipping, it was thought that the work of the UNCTAD secretariat was sufficiently advanced to enable reports to be placed before the second Conference.

6. On the other items of the programme of work, no substantive discussion has taken place, but the Committee has considered progress reports submitted by the secretariat and given guidance for the continuing work of the secretariat.

7. The second session of the Committee on Shipping considered the substance of the shipping items of the draft provisional agenda for the second Conference adopted by the fourth session of the Trade and Development Board. The essential points of the discussion on this question are contained in paragraphs 73 to 90 of document TD/B/116.

8. With regard to these items, the Committee decided (TD/B/116, para.90) to suggest to the Board that in making proposals on the organization of the second Conference, it may wish to take into account the view of the Committee on Shipping that shipping matters be considered by a separate committee of the Conference. The Sessional Committee considered that the committee in question - the nature of which would be determined by the Board - should meet for a continuous but definite and limited period during the Conference.

9. At its second session, the Committee on Shipping adopted two resolutions in addition to that mentioned above (annex I of document TD/B/116). In these resolutions the Committee, inter alia, unanimously invited governments, shippers and shipowners, shipping and commercial interests and conferences to co-operate with the secretariat through the appropriate channels by providing the information required for the implementation of the Committee's programme of work, reaffirmed that the secretariat of UNCTAD was competent to provide substantive support in co-ordination as appropriate with other United Nations bodies to technical assistance activities in maritime transport, and requested the Secretary-General of the United Nations to consider ways of avoiding duplication of activities among the United Nations units dealing with shipping and ports.

10. With regard to the question of the inclusion of item V(f) (/International Legislation on Shipping/) in the provisional agenda of the second session of the Conference, representatives of developing countries expressed their continuing support for the inclusion of this item on the agenda of the second Conference, and were joined in this opinion by the representatives of socialist countries of Eastern Europe.

11. At the request of representatives of developed countries the representative of the Secretary-General confirmed that his estimate of the practical possibilities open to the Secretariat given in paragraph 75 of the report on the second session of the Shipping Committee remained valid, and that the subject did not appear in the work programme of the Committee.

12. The representatives of the developed countries restated their opposition to the inclusion of the item on the agenda.

13. It was agreed that the subject should be remitted to an informal contact group for further discussion.

(To be completed as appropriate).

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Draft report of the Sessional Committee

Rapporteur: Mr. E. TREU (Austria)

Chapter III

REPORT OF THE COMMITTEE ON MANUFACTURES

(item 6 of the agenda)

1. The report of the Committee on Manufactures on its second session (TD/B/134) was introduced by its Chairman, Mr. M. Sakellaropoulo (Canada). In connexion with its consideration of that report the Sessional Committee also took into account the report of the Group on Preferences on its second session (TD/B/134, annex I) which was introduced by the Group's Chairman, Mr. A. Mahmood (Pakistan). In addition, the attention of the Board was drawn to the report of the ad hoc Joint UNCTAD/FAO Working Party on Forest and Timber Products (TD/B/C.2/18) which had been considered by the Committee on Manufactures (TD/B/134, paras. 34-43).

2. It was widely agreed that the rate of increase in the exports of manufactures and semi-manufactures from developing countries was not as satisfactory as might be desired when viewed in relation to the foreign exchange needs of these countries, and that, despite some favourable features in the growth of this trade, much greater efforts were required to raise their export earnings to a level commensurate with their development needs. The representatives of some socialist countries of Eastern Europe drew attention to the increase in their countries' trade with the developing countries and to the steps which they had taken to implement the recommendation in annex A.III.7 to the Final Act of the first Conference, in particular in respect to the negotiation of long-term bilateral agreements with the developing countries. They also expressed the view that the continuance of this trend would depend on the extent to which the developing countries followed the recommendations of the first Conference concerning the granting to the socialist countries of Eastern Europe treatment not less favourable than that granted to their trading partners among the developed countries.

3. The view was expressed that the question of the granting of preferences for manufactures and semi-manufactures on a non-reciprocal, non-discriminatory basis in favour of the developing countries was mature for consideration at the second session of the Conference. Such consideration should lead to agreement on the main outlines of such a scheme of preferences, and it was hoped that the developed countries would be in a position to present the main outlines of such a scheme by the time of the second Conference. It was agreed that governments should give serious study before the second Conference to the report of the Group on Preferences, which constituted a record of discussions at a high technical level, and also to the detailed and well prepared secretariat document submitted to the Group.

4. The representatives of developing countries stressed that a scheme of preferences should include special provisions for the least advanced among the developing countries and, in particular, provisions concerning technical and financial assistance and assistance conducive to the establishment of regional and sub-regional markets to promote the industrialization of developing countries. They stressed that provision should be made for the compensation for those developing countries which would forgo certain advantages accorded to them under existing schemes. They considered furthermore that the scheme of preferences should cover all manufactured and semi-manufactured products from developing countries, with minimum exceptions, and in particular cover processed agricultural and other processed primary products. In this context, the problem of synthetics and substitutes would need to be examined.

5. The representatives of developing countries stressed the need for formulating a programme for the liberalization of trade and in particular for the removal of non-tariff barriers, such as quantitative restrictions, affecting the products of developing countries; in this context they stressed the need for a study of the circumstances in which importing countries claimed that imports from developing countries caused market disruption. In the opinion of these representatives, an effort should be made to establish objective economic criteria, including the need for appropriate international consultation, which would govern cases where importing countries might take action to restrict particular imports from the developing countries.

6. With regard to the Kennedy Round negotiations, divergent views were expressed by the representatives of developed and developing countries on the extent to which the developing countries had benefited from this Round. The representatives of the developed market economy countries considered that there had been positive results

for the developing countries from these negotiations, but that, in any case, it was premature to attempt to draw any definite conclusion before the evaluations being undertaken by the governments themselves and by the secretariats of UNCTAD and GATT were available. The representatives of the developing countries expressed the view that the results could not be regarded as satisfactory since these negotiations had not sufficiently taken into account the interests of these countries. Furthermore, they considered that appropriate action should be taken before the second Conference in respect of certain issues left unsettled by the Kennedy Round negotiations, including the advance implementation in full of the tariff reductions in favour of the developing countries.

7. Appreciation was expressed of the work being done by UNCTAD in conjunction with the Customs Co-operation Council on the reclassification of certain items in the tariffs (TD/B/134, para. 28). It was considered that the success of this work in respect of hand-loom textile products should be followed by an examination of the possibilities for a reclassification of other tariff items. In this connexion, the action taken by the Nordic countries in reclassifying hand-loom fabrics as a separate item in their tariffs was commended. It was considered essential for the successful continuation of this work that developing countries should prepare lists of products concerning which they wished the possibilities for tariff reclassification to be examined and that they should supply samples, as had been done in respect of hand-loom textile products.

8. There was a consensus that the second Conference might fruitfully examine a programme for the promotion of exports of manufactured and semi-manufactured products. Whilst it was recognized that the primary responsibility for export promotion must lie with the developing countries, it was also recognized that it was equally important that action be taken by the developed countries and the United Nations and other competent international organizations in assisting the developing countries in their export promotion efforts. There was general recognition of the importance of achieving a co-ordinated and co-operative approach in trade promotion matters, as envisaged in the present discussions between UNCTAD and GATT (TD/B/134, para. 75). It was hoped that this approach would result in the more effective utilization of available resources and lead to more concerted action by the United Nations in the field of export promotion. Further, it was considered that the rationalization of United Nations activities in respect of export promotion should facilitate the

re-orientation of United Nations technical assistance in this important field. The above measures were considered to be in the interest of both the developed and the developing countries.

9. It was recognized that the industrial development needs of the developing countries and in particular of the least advanced among the developing countries required concerted action by the United Nations. In this connexion the close co-operation between UNCTAD and UNIDO and the regional economic commissions was welcomed.

10. There was general agreement on the value of the country surveys and sector studies (TD/B/134, chapter IV). It was suggested that these studies should be extended to cover more countries and in particular more of the least advanced of the developing countries. The suggestion was made that in these studies the demand aspects as well as the supply aspects and regional industrial development could be considered. It was stressed that the secretariat, in consultation with the countries and regional economic commissions concerned, should review from time to time the action which had been taken by the countries concerned in pursuance of the recommendations contained in the studies. The view was expressed that wider publicity should be given to country studies. In respect of the studies of particular sectors of industry it was suggested that it was important to examine sectors of industry other than those related to the processing of agricultural and primary products.

11. In reviewing the work of the ad hoc Joint UNCTAD/FAO Working Party on Forest and Timber Products, the Committee noted the usefulness of working parties of this type which dealt with specific sectors and had well-defined terms of reference. It was generally agreed that another meeting of the Working Party should be convened to consider inter alia the setting up of tropical timber bureaux and the obtaining of market intelligence information. In regard to the tropical timber bureaux, the representatives of some of the developed countries indicated the willingness of their Governments to give technical assistance to such bureaux if they were established, but stressed that such bureaux would have to be administered efficiently and have well defined functions. The representatives of developing countries suggested that the Working Party might, in the future, consider such additional matters as trade among the developing countries in timber products, pulp and paper, tanning extracts, freight rates, the classification of tropical timber for tariff purposes, and also timber products from the temperate zones as well as products of tropical timber. It was recommended that the terms of reference of the Joint UNCTAD/FAO Working Party on Forest and Timber Products be amended to cover trade among the developing countries as well as exports to the developed market economy countries and to the socialist countries of Eastern Europe.

12. There were divergent views as to when the Working Party should be re-convened. Whilst the representatives of developing countries considered that it should be re-convened before the second Conference, the importance was stressed of adequate preparation of background material for the success of the Working Party's meeting. It was agreed that the question of the date for the re-convening of the Working Party should be referred to the Board for consideration under item 17 of its agenda (Review of the calendar of meetings).

13. With regard to the item on the draft provisional agenda for the second session of the Conference entitled "Arrangements leading to the reshaping of existing international division of labour", no agreement had been reached either at the Board's fourth session or at the second session of the Committee on Manufactures on the inclusion of this item on the agenda for the second Conference.[1/] The representatives of the developing countries supported the inclusion of this item on the agenda for the second Conference and stressed that a new international division of labour was required if the developing countries were to achieve the level of development and the role in international trade implied in the recommendations of the first Conference. The representatives of some socialist countries of Eastern Europe endorsed the view of the developing countries on the importance of this item. The representatives of many developed market economy countries considered that this item should not be included in the provisional agenda for the second Conference because it was not clear to them what was envisaged in the wording of this item, and doubted whether any concrete results could be achieved in a discussion of such an item.

14. It was agreed that the question whether this item should or should not be included should be considered by a "contact group" with a view to reaching an agreement.

(To be completed as appropriate)

15. The Sessional Committee noted the reports on the second session of the Committee on Manufactures and the second session of the Group on Preferences as well as the report of the ad hoc Joint UNCTAD/FAO Working Party on Forest and Timber Products, and transmitted them to the Board for appropriate action.

1/ See Report of the Trade and Development Board at its Fourth Session - A/6315/Rev.1, Part Two, Annex, decision 34(IV), item III(e); and the Report of the Committee on Manufactures on its Second Session - TD/B/134, Chapter 5, paras. 78-85.

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Draft report of the Sessional Committee

Rapporteur: Mr. E. TREU (Austria)

Chapter IV

REPORT OF THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE

(Item 7 of the agenda)

Part One - Invisibles

1. The report of the Committee on its consideration of invisibles at its second session (TD/B/118, part I and Corr. 1 and 2), was introduced by its Chairman, Mr. M. Mernolja (Yugoslavia). Several delegations expressed their satisfaction with the contents of the report and noted in particular that the resolution recommended to the Board for adoption (TD/B/118, Annex I) had been approved unanimously. All representatives who spoke on the Committee's work on insurance endorsed the provisions in the resolution concerning insurance. The representatives of developing countries emphasized the importance of the recommendation by the Expert Group on Reinsurance (TD/B/118, Annex I, Appendix), that part of the technical reserves constituted through reinsurance operations should be retained for investment in the countries where the premium income arose, as a step towards implementing the recommendations of the 1964 Conference in the field of insurance.

2. Some representatives drew attention to the important contribution which tourism could make to the economic development of developing countries and thought that the subject was appropriate for discussion at the second session of the Conference. The representative of a socialist country of Eastern Europe suggested that credits from developed countries might be made available to developing countries, repayment to be made out of the foreign exchange earnings accruing from the tourist trade generated by the Credits. The need for technical assistance to help developing countries in exploiting their tourist potential was also mentioned.

3. With reference to the resolution adopted at the second session of the Committee on Invisibles and Financing related to Trade which requested the Secretary-General of UNCTAD to convene certain meetings of expert groups, the representative of France re-stated the reservation which his delegation had formulated at the time (TD/B/118, para. 23) regarding the capacity in which members of expert groups were to serve.

4. The representative of the United States of America repeated his Government's reservation on the financial implications of the establishment of three expert groups which his Government had expressed at the Committee's second session (loc. cit.) It was pointed out by some representatives that, if accepted, the proposal of the representative of France would imply modifying a decision which had been knowingly taken by the Committee. That Committee, before adopting the resolution, had been aware of the statement of financial implications submitted by the secretariat (TD/B/118, Annex VI), wherein it had been clearly indicated that the experts would serve in their personal capacity. After clarification by the Director of the Division for Invisibles and some further discussion, in which certain compromise suggestions were put forward (such as a group composed partly of experts from official circles and partly of independent experts, or of experts who were designated by their Governments but serving in their personal capacity) the representative of France agreed not to press his proposal, on the understanding that the reservations made by his and some other Governments and the different viewpoints expressed would be recorded in the report. On this understanding the Committee recommended that the Board should take note of Part One of the report of the Committee on Invisibles and Financing related to Trade on its second session and approve the resolution on invisibles which that Committee had adopted (TD/B/118, Annex I).

Part Two. Financing related to trade

5. Mr. M. Mermolja (Yugoslavia); Chairman of the Committee on Invisibles and Financing related to Trade, introduced Part II of the Committee's report (TD/B/118). In the discussion that followed, support was expressed for the report's findings. In particular, the Agreed Statement contained in annex II of the Committee's report (reproduced also in document TD/B/119) was strongly commended by representatives of developing, developed market economy and socialist countries. The representatives of several developed market economy countries considered that the Agreed Statement typified the approach that would lead to the most fruitful kind of discussion at the second Conference. The representatives of developing countries expressed the view that early action was necessary to attain the objectives reaffirmed in the Statement.

6. Representatives of developing countries stressed their Governments' concern about the insufficient flow of financial resources from developed countries; they pointed out that it was generally agreed that developing countries could immediately put to effective use a greater volume of external assistance. The representative of one developing country stressed the need for allocating a higher priority to development aid in governmental budgets of developed countries, and several others regretted that developed countries had moved further away from achieving the 1 per cent target set at the first Conference. Still others referred to the need for reviewing that target so as to make it apply to the net transfer of resources, taking into account reverse flows due to interest and dividend payments. Several representatives expressed their support for the activities of the International Development Association and voiced concern about the excessive delay in replenishing the funds of that organization, and about the recent decision of the World Bank to transfer only a small proportion of its net income to the Association. The observer for the Bank explained the financial constraints, in particular the policies and inaccessibility of capital markets, which had led the Bank to take this decision, which, he added, was not a precedent for the future.[1/] The representatives of several developed market economy countries agreed with the necessity for increasing the flow of resources, and some of these representatives spoke of the progress made in

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1/ For the text of the full statement see document TD/B/SC.7/L.4.

their countries towards the achievement of that goal. One of these representatives referred to the difficulty of making aggregate evaluations of the quantity and quality of the aid flows in view of the extreme diversity and complexity characterizing these flows. The representative of a socialist country of Eastern Europe stressed that the problem of the evaluation of the quantitative aspects of economic aid should be viewed in the light of the special responsibility of those countries which had ruled and exploited the developing world in the colonial period and which were pursuing neo-colonial policies at present.

7. The representative of another socialist country of Eastern Europe spoke of the need to differentiate between debt amortization on the one hand and the outflow of profits on the other, inasmuch as the latter reduced the national income of the debtor countries, and new inflows did not immediately offset such effects.

8. Anxiety was expressed by representatives of developing countries concerning the deterioration in terms of aid, both with respect to the grant element and with respect to interest rates, maturities and grace periods attached to loans. The cumulative effect of this deterioration was a growing burden of indebtedness and debt service for many of the recipient countries, a situation which had been further aggravated by the growing importance of suppliers' credits with high interest rates and short repayment periods. Representatives of developing and socialist countries referred to the need for a thorough discussion of the indebtedness and debt service problem at the second Conference, and the representative of one developing country suggested that in the case of countries with balance-of-payments difficulties a moratorium of a longer period, say 15 to 20 years, be accorded, during which repayment might be effected in local currencies, so as to facilitate trade among developing countries, and through exports of debtor countries' goods. He further proposed that an automatic debt relief clause be inserted in future loan contracts with developing countries to become effective during acute balance-of-payments crises. The representative of one developed market economy country agreed that the granting of suppliers' credits ought to be more strictly controlled and coordinated. Representatives of some donor countries pointed to the liberal terms of their aid flows.

9. The representatives of several developing countries referred to the constraints imposed on the implementation of their countries' economic plans by the tying of aid to projects and to procurement sources; in their view, the value of aid was thereby reduced. Certain of these representatives stated that the impact of tied aid ought to be lessened by permitting procurement in other developing countries, by providing for compensation or offsets for the additional cost of goods obtained under tied aid, and/or by permitting repayment in kind by debtor countries.

10. While recognizing the need for more efficient utilization of aid, the representatives of several developing countries referred to the need for a more efficient administration on the part of the donors, particularly a reduction in the long delays between project planning and aid disbursement, and the need for longer-term commitments.

11. The representatives of several developing countries recognized the importance of private capital flows to their countries. The representatives of some developing and developed market economy countries stressed the importance of fiscal incentives and guarantee schemes existing in capital-exporting and capital-importing countries, and expressed support for a system of multilateral investment insurance. The representative of one developing country called on private foreign capital to adoptaa regional approach in investment decisions. The representatives of some socialist countries doubted whether private capital would benefit the developing countries, inasmuch as profit remittances very often more than offset the new inflow of such capital. They suggested government controls on private capital so as to limit reverse flows and ensure that private investment from abroad would not interfere with national economic development.

12. There was wide agreement that the Intergovernmental Group on Supplementary Financing should continue its work and report its findings to the second Conference. The hope was expressed by the representatives of a large number of developing countries that the work of the Group would mature to the point at which a definite decision on a scheme could be adopted by the second Conference. The representatives of several developing countries emphasized that two important conditions for the viability of a scheme were that adequate resources should be provided, and that these resources should be additional to other commitments, and not merely involve a reallocation of the existing flow of capital.

13. The representatives of several developing countries spoke of the need for basing any reform of the international monetary system on principles of non-discrimination and universality, and expressed confidence that these principles would be observed in the decisions on such a reform likely to be taken at the forthcoming annual meeting of the International Monetary Fund. Many of these representatives spoke of the need for a link between the creation of new reserves and the provision of development finance. The representative of a developed market economy country opposed such a link, holding that these were two separate issues requiring separate treatment. The representatives of other developed market economy countries expressed the view that the International Monetary Fund was the most appropriate forum for such discussions and were confident that progress on this issue would be sufficient to render further discussion during the second Conference less urgent. The representatives of several developing countries and socialist countries stressed the importance of discussing international monetary issues within the framework of UNCTAD. The representatives of several developing countries expressed the hope that the successful conclusion of current negotiations on international monetary reform would in itself lessen the balance-of-payments constraints which had been used to explain the stagnation of the volume of aid and which had led to the increased tying of aid.

14. The representatives of several developing countries emphasized the need for studying the question of basic financing, and proposed the formation of an inter-governmental group of experts to examine both quantitative and qualitative aspects of basic financing and to report its findings to the second Conference, in accordance with the draft resolution contained in annex V of the Committee's report (TD/B/118). The representatives of some developed market economy countries opposed this suggestion on the grounds that it was unlikely that new ideas would be forthcoming from such a study; if any new ideas were presented, there would not be sufficient time to study them in depth before the second Conference. The representative of a socialist country of Eastern Europe suggested that the preparation of a study of basic financing should be left to the secretariat.

15. Representatives of several developing countries advocated an interest subsidization plan either on a multilateral or on a national basis, which would permit developing countries to borrow in capital markets without being obliged to pay the high rates of interest prevailing on these markets.

16. The representatives of two developed market economy countries referred to proposals for payments schemes among developing countries. One representative proposed the introduction of schemes analogous to that in use between Eastern and Western Europe within the framework of the Economic Commission for Europe, while another suggested that this matter be considered further at the next session of the Committee on Invisibles and Financing related to Trade, which would then be in a position to profit from the discussions held at the current session of the Board under item 11, and discussions during the second Conference.

17. It was decided to recommend that the Board should take note of the report of the Committee of Invisibles and Financing related to Trade (TD/B/118).

18. It was furthermore decided to recommend that the Agreed Statement adopted by the second session of that Committee (TD/B/119) serve as a basis for discussion at the second Conference.

19. It was decided to recommend to the Board that it approve the programme of work of the Intergovernmental Group on Supplementary Financing as reflected in Chapter VI of the Committee's report (TD/B/118), including paragraph 131 of that report, and authorize the Group to report directly to the second Conference.

20. Agreement was not reached in the Sessional Committee regarding the formulation of the items in square brackets and item IV (d) in the draft provisional agenda of the Conference, nor on the actions to be taken with respect to the draft resolution contained in annex V of TD/B/118.

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Draft report of the Sessional Committee

Rapporteur: Mr. E. TREU (Austria)

Chapter V

REPORT OF THE COMMITTEE ON COMMODITIES

(agenda item 5)

1. The documents relating to item 5 were the report of the Committee on Commodities on its second session (TD/B/120), the two reports of the Advisory Committee to the Board and to the Committee on Commodities on its first and second session (TD/B/109 and TD/B/127), the report of the Permanent Group on Synthetics and Substitutes on its first session (TD/B/147) and a note by the UNCTAD secretariat (TD/B/143) concerning the examination of the form, pattern and scope of possible inter-governmental consultative machinery within the framework of the secretariat study on trade liberalization. Attention was also drawn to the UNCTAD Commodity Survey, 1966 which reviewed developments on commodity markets in the first half of the Development Decade and analysed longer-term trends.1/

2. The Committee's second session had been largely devoted to the examination of the main elements of commodity policy. Under this heading it had considered in greater detail selected areas in which early international action might be technically feasible, more particularly the two questions relating to (i) the operation and financing of buffer stocks and (ii) the role and financing of diversification programmes. The Committee had also touched upon the question of basic principles for pricing policy, but in view of the complexity of the issues involved had referred this topic for further study to the Advisory Committee which at its second session, focussed its

1/ A review of the current market situation in selected commodities was carried out by the Permanent Sub-Committee on Commodities which reported on this matter to the Committee on Commodities (see TD/B/C.1/21). The Commodity Survey, 1966 referred to above was issued under symbol TD/B/C.1/23/Rev.1 and subsequently published (United Nations publication, Sales No. 67.II.D.9).

attention on pricing policy and trade liberalization.[1] Trade liberalization and the closely related questions of trade expansion and trade promotion had constituted the other main items considered during the second session of the Committee.

3. With regard to the general commodity situation, representatives of developing countries and socialist countries of Eastern Europe stated that no satisfactory progress had been achieved since the first Conference and expressed their concern about the adverse trends and poor prospects for commodity exports of developing countries. Opinions differed as to the advisability of re-examining the general commodity situation at the second Conference. Some representatives considered that such a review based on an agreed evaluation of the commodity situation would place the problems to be discussed at the second Conference in their proper perspective and would provide a factual background for the discussion of selected issues. Others endorsed the Advisory Committee's view that the Conference should concentrate on selected issues suitable for negotiation and early action and should not spend undue time in reviewing the current commodity situation (TD/B/127, para. 25).

4. There was general agreement that international action in the field of primary commodities could be successful only if it proceeded on a commodity-by-commodity basis. Nonetheless, it was recognized by the representatives of developing and socialist countries that there was a need for a general formulation of the objectives and main elements of international commodity policy.[2] In this connexion some of these representatives stressed the need for a draft general agreement on commodity arrangements to be prepared for the second Conference. Whilst considering that a general set of guidelines on techniques of market stabilization and pricing policy might admittedly be useful and was of theoretical interest, the representatives of some developed market economy countries emphasized that it was not the lack of such a set of guidelines which had prevented or impeded the negotiation and conclusion of commodity agreements. In their view, the discussion and formulation of such guidelines would be of limited value and would take too much time at the second Conference.

5. Many representatives expressed the hope that the current consultations on cocoa would lead to satisfactory results so far as negotiations leading to the conclusion of an international cocoa agreement were concerned. It was further stated that

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1/ See document TD/B/127 and paragraph 69 of the report of the Committee on Commodities (TD/B/120).

2/ Item II (b) of the draft provisional agenda of the second session of the Conference as adopted by the Board at its fourth session.

considerable importance was attached to the forthcoming session of the FAO Study Group on Oilseeds, Oils and Fats (TD/B/120, paragraph 20), which was to be jointly serviced by FAO and UNCTAD. Some representatives requested the secretariat to initiate studies on the tariff and non-tariff barriers affecting the trade in raisins and dates.

6. Many representatives expressed the opinion that the subject of the operation of buffer stock schemes,[1/] in conjunction with other market stabilization techniques, was one of the key issues on which a consensus might be reached at the second Conference. It was also widely recognized that the number of commodities susceptible to the operation of buffer stock schemes depended upon technical considerations and the characteristics of the various commodity markets, and that such schemes were especially, though not exclusively, applicable to the commodities included in the first of the three categories adopted by the Advisory Committee (TD/B/109, para. 15). It was, however, stressed that the success of such buffer stock schemes was dependent upon the availability of sufficient financial resources and adequate pre-financing arrangements. There was widespread support for the principle that the financing of buffer stocks should be shared by both importing and exporting countries. While some representatives were unable to endorse the idea of the establishment of a central fund to meet the pre-financing requirements of such buffer stocks, others were in favour of the establishment of such a fund; still others expressed the view that the problems involved in such a central fund should be explored by the secretariat before a decision on this matter could be taken. In this connexion also the secretariat was requested to study which commodities lend themselves to the operation of buffer stock schemes.

1/ Item II(b)(i) of the draft provisional agenda for the second Conference.

7. There was broad agreement on the crucial importance of diversification[1] in the strategy of economic development and in dealing with commodity problems, and in this regard on the need for close co-operation between developing and developed countries. The representatives of several developing countries suggested the possibility of creating an international diversification fund. The need was stressed to consider various patterns of diversification, such as the expansion of production of commodities with an export growth potential, the development of the processing of primary commodities at present being exported in crude form and the creation of labour intensive industries. It was pointed out by the representatives of developing countries that their countries' efforts to achieve greater diversification should be accompanied by the removal of trade barriers and easier access to the markets of developed countries and that the latter countries should also intensify their efforts to diversify their own economies, particularly as regards structural readjustments in their primary sectors and, where appropriate, in their processing industries. In considering the subject of diversification, several representatives stressed the need to increase domestic food production in order to improve nutritional levels and reduce the import requirements of certain developing countries. Views differed, however, as to the advisability of including an item concerning the world food problem as a separate item on the agenda of the second Conference.[2]

8. The complex issue of pricing policy[3] which had been referred for consideration to the Advisory Committee, received considerable attention in the discussions. The suggestions and conclusions put forward by the Advisory Committee in document TD/B/127 were, on the whole, received favourably. Considerable support was expressed also for the Advisory Committee's view that "in the short term, the main objective of pricing policy might be to minimize the fluctuation in prices of primary commodities, and/or in the earnings of developing countries from the export of such commodities. ... Over the longer term, international policy

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1/ Item II(b)(ii) of the draft provisional agenda for the second Conference.

2/ Item proposed by the United States delegation (TD/B/150).

3/ Item II(b)(iii) of the draft provisional agenda of the second Conference.

should be directed to improving the trend in the export earnings of developing countries from sales of primary commodities. For commodities in group I - that is, commodities produced wholly or mainly by developing countries, and facing inelastic demand conditions - this objective could be achieved within the context of international commodity agreements, by market operations designed to raise prices in order to improve the export earnings of developing countries. ... For certain commodities in group III, ... this objective might also be considered" (TD/B/127, paras. 7 and 9) In this connexion several representatives stressed that, if a pricing policy was to be successful, due account must be taken of all relevant factors of individual commodity markets, particularly the long-term trends in supply and demand (in order to avoid structural imbalances) and, in the particular case of natural products facing competition from synthetics, the danger of a gradual penetration of the markets by substitutes as a result of the establishment of too high a price level for the natural product.

9. As regards the formulation of item II(b)(iii) of the draft provisional agenda for the second Conference, this matter was referred to an informal Contact Group, which was, however, unable to reach agreement.

10. Turning to the question of trade liberalization,[1/] many representatives emphasized the need for improved market access for commodities, in particular those of interest to developing countries through a reduction of agricultural support measures and the reduction and gradual elimination of tariff barriers, quantitative restrictions and also internal fiscal charges which inhibited the consumption of products exported by developing countries. Representatives of primary commodity exporting countries considered that the objective of improving market access deserved high priority and that it was essential to adopt a constructive and action-oriented approach on this matter in order to achieve positive results at the second Conference. Whilst recognizing the social, economic and political difficulties in developed countries which hampered progress in this field, the representatives of many developing countries urged industrialized countries to take additional measures with a view to reducing or eliminating tariff and non-tariff barriers to trade in primary commodities of interest to developing countries. Such a policy, it was emphasized, did not stand in the way

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1/ Item II(c) of the draft provisional agenda for the second Conference.

of the successful conclusion of particular international commodity agreements. Where appropriate, trade liberalization measures and/or access commitments could be negotiated within the framework of such commodity agreements. In this context, several representatives suggested that the second Conference might explore the possibility of drawing up a timetable of trade liberalization measures to be enacted by the end of the Development Decade in the spirit of the recommendation in annex A.II.1 to the Final Act of the first Conference. The representatives of several developed market economy countries were, however, of the opinion that the question of trade barriers tended to be over-emphasized. Although the removal of trade barriers was deemed desirable per se, they felt that it was equally important to consider the problems connected with inelastic supply, the need to expand both domestic production and consumption in the developing countries themselves, and the necessity to increase productivity and marketing techniques so as to make the export products of developing countries more competitive.

11. Whilst acknowledging that a few, isolated trade liberalization measures had been taken by developed countries, the representatives of developing countries expressed their disappointment at the limited progress made in this field since the first Conference. They considered it a matter of regret that a number of developed market economy countries had not yet implemented the recommendations adopted either by the first Conference or by the GATT Ministerial meeting of 1963. Moreover, they expressed disappointment with the outcome of the Kennedy Round which, in their opinion, had consisted primarily of an exchange of concessions among the industrialized countries. Since the extent and scope of developed countries' concessions to the developing countries could not yet be fully assessed, the wish was reiterated that the effects of the Kennedy Round on the primary commodity exports of developing countries should be evaluated in the documentation to be prepared by the secretariat for the second Conference.

12. Representatives of developing countries stressed the need for the establishment of inter-governmental machinery within UNCTAD in order to foster progress in the field of trade liberalization and trade expansion. As regards the study to be undertaken by the secretariat on this matter, attention was drawn to the secretariat note (TD/B/143). Representatives of developed market economy countries considered that the UNCTAD Committee on Commodities and the GATT Committee on Trade and Development provided adequate machinery for this purpose.

13. All the representatives who participated in the discussion stressed the importance which their Governments attached to trade promotion as a means of expanding the commodity exports of developing countries. Greater assistance in this field was thought by some to be a prerequisite; it was stated that, to be fully effective, trade promotion should be accompanied by measures to improve access to markets. Other representatives stressed the importance of quality control, grading and adaption of products to consumer requirements.

14. The representatives of some socialist countries of Eastern Europe drew attention to special measures which their governments apply in their trade relations with developing countries and which have resulted in a considerable increase of imports of commodities from developing countries. These measures and trading methods have also contributed to the stabilization of commodity markets.

15. The report of the Permanent Group on Synthetics and Substitutes (TD/B/147) was introduced by its Chairman, Mr. R.C.S. Koelmeyer (Ceylon). He stated that the presence of a large number of observers at the first session of the Permanent Group was indicative of the deep concern which the threat of synthetics elicited in countries depending on natural products for a significant part of their export earnings. In view of the continuous pressure on the price of natural products and the latter's declining share in the total consumption of certain commodities, the problems caused by the expanding production of syrthetics and substitutes deserved continuous attention and required international co-operation with the aim of achieving structural readjustments. Attention was also drawn to the recommendations put forward in the Permanent Group on Synthetics and Substitutes for further consideration by the appropriate UNCTAD organs (TD/B/147, para. 33).

16. In the discussion on the report of the Permanent Group on Synthetics and Substitutes it was widely recognized that the problems posed for natural products by synthetics were very serious and deserved continous attention. Several representatives drew attention

to the emergence of new products which threatened the position of leather, coconut oil and some of the hard fibres in traditional markets. With respect to leather one representative proposed that adequate provision be made in the work programme of the Permanent Group to deal with this problem. Since the recommendations put forward in the Permanent Group on Synthetics and Substitutes (TD/B/147 paragraph 33) had not, for lack of time, been examined by governments, it was recommended that they be referred to the second Conference. In this connexion, no objection was expressed to the proposal that the question of synthetics should appear as a separate sub-item on the agenda of the Conference. The representative of one socialist country of Eastern Europe reiterated his country's reservation on the second paragraph of recommendation A.II.7, because this part of the recommendation did not take into account the special features of a socialist planned economy.

17. The Sessional Committee considered two draft resolutions annexed to the report of the Committee on Commodities on its second session. The sponsor of the first resolution on the convening of a United Nations Wheat Conference, whilst reaffirming the general principle that convening of this conference was an unquestionable prerogative of UNCTAD, withdrew the above draft resolution taking into account recent developments in this field. The Sessional Committee unanimously adopted the amended text of the draft resolution[1/] on the co-ordination of the activities of bodies dealing with problems of commodity trade, except one yet unsettled point in square brackets[2/].

18. The Sessional Committee recommended that the Board take note:

(i) of the report of the Committee on Commodities on its second session,

(ii) of the two reports of the Advisory Committee to the Board and to the Committee on Commodities on its first and second sessions and

(iii) of the report of the Permanent Group on Synthetics and Substitutes on its first session.

1/ TD/B/SC.7/Conf. Room Paper 1

2/ Last two lines of TD/B/SC.7/Conf. Room Paper 1